# Creating an Obligation for Fiscal Year End 2003

## Prepare and Complete Obligating Contractual Documents

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**Overview**

**Before the SAP R/3 session:**
Verify that funds are available to make the award and that the successful vendor is loaded in the SAP system.

**During the SAP R/3 session:**

**I. Create Contractual Obligating Documents (e.g. Contracts, Purchase Orders, Grants, Cooperative Agreements, TO/DOs) (Basic Information).**

***SCREEN: SAP Easy Access***

1. **Use Menu Path:**
   - **Logistics**
   - **Materials Management**
   - **Purchasing**
   - **Purchase Order**
   - **Create**
   - **Vendor/Supplying Plant Known**

   or use transaction code **ME21N**.

***SCREEN: Create Purchase Order***

2. Enter **Order Type**.
3. ~~3.~~ Enter **Purchasing Document Number**.
4. Enter **Doc. Date.**

Note: When selecting Order Type, proceed in the following manner: "**Cont-Ltr of Credit**" (YS) is utilized when awarding to a university and "**Contract**" (YE) is utilized when awarding to KRED vendors; "**NDPR**" (YI) is utilized when awarding to DoD; "**TO/DO-Other Contract**" (YC) is utilized when placing an order against a GSA contract or an Agency or Center non-outline agreement contract (use "Your Reference" on the "Communications data" tab in the header information; "**TO/DO – Under NASA K**" (YD) is utilized when awarding against an outline agreement. Do NOT use NSMS Order or P-Card Order.

Note: If "TO/DO – under NASA K" is the selected document type, the buyer must ensure that the requisition to be referenced in the order includes the applicable IDIQ/BOA/BPA and Item numbers in the **Agreement** and **Item** fields before continuing with the following actions. If the PR does not reference the agreement and item number, the Requisitioner or Procurement Team Lead must be contacted to change the requisition to include this information.

Note: The purchasing document number is not system generated and therefore needs to be entered in accordance with the format prescribed in the NASA FAR Supplement (NFS) Subpart 1804.71-Uniform Acquisition Instrument Identification. Contracts, grants & cooperative agreements, and space acts will be numbered utilizing existing procedures. PO/TO/DO numbers will also utilize existing procedures; however, they will ***NOT*** have a dash in the number.

4. Click **<Document Overview On>** from document toolbar menu.
5. Click **<Selection Variant>**.

Note: Generally only one of the following variants will be selected at this time: Purchase requisitions (PR) or requests for quotation (RFQ).

6. Select appropriate variant from menu.
7. Enter **PR** or **RFQ** number if known and any other applicable fields or utilize search capability for a PR or RFQ number.
8. Click <**Execute**>.
9. Click arrow to expand the appropriate document to display line items.
10. Highlight line item(s) for award or highlight entire document to award all line items.
11. Click <**Adopt**>.
12. Enter **Vendor/Supplying Plant**. The vendor will default when referencing an RFQ or when the PR references an outline agreement. In all other cases, the vendor will need to be selected by using the search capability in the vendor drop-down box.

Note: To use the search criteria in the drop down menu, proceed in the following manner: After clicking the drop down arrows, select the **NASA Account Group by POrg** tab. Perform search utilizing the appropriate account group type in ZHHS for grants/cooperative agreements/letter of credit; ZPAC for interagency agreements; KRED for all other awards, all organizations not included in the aforementioned categories). Do not use ZEMP or ZFML. In addition to populating the Account Group field, select the appropriate **Purchasing** Organization. Click <**Enter**> and a list of vendors meeting the selection criteria will be displayed. Select the desired vendor and click <**Enter**> and the vendor number will be entered in **Vendor/Supplying Plant**.

## II. Prepare/Complete Contractual Obligating Documents (e.g. Contracts, Purchase Orders, Grants, Cooperative Agreements, TO/DOs (Header Information).

***SCREEN: Create Purchase Order***

1. Click <**Expand Header**>.
2. Select the **Delivery/Invoice** tab.
   a. Enter **Payment Terms**.
   b. Enter **Incoterms**. Type "FOB Origin", or "FOB Destination".
3. Select **Additional Data** tab.
   a. Enter **Validity Start**. Enter effective date of the contract.
   b. Enter **Validity End**. Enter contract completion date.
4. Select the **Texts** tab.
   a. Select **Header Note**.
   b. Enter **Text**. This will be where the COTR name and phone number will be recorded.
5. Select the **Communications data** tab.
   a. Enter **Salesperson.** Enter the name of the individual who signed the vendor offer or provided the quote.
   b. Enter other contract number in **Your Reference**. Applies to orders against GSA, other Government-wide, or non-outline agreement NASA contracts.
   c. Enter DPAS rating in **Our Reference** for rated orders.
6. Select **Org. data** tab.
   a. Verify that the buyer's **PGrp** correctly defaulted and that the **Company Code** defaulted "NASA". If incorrect, change as necessary.
   b. Enter **Purchasing org**. For consolidated contract initiative (CCI) actions and grants and cooperative agreements if part of the grants consolidation, select "NASA" from drop-down menu; otherwise, accept defaulted buyer's POrg.
7. Select **NASA Data** tab.
8. Click <**NASA Information**>.

## III. Prepare/Complete Contractual Obligating Documents (e.g. Contracts, Purchase Orders, Grants, Cooperative Agreements, TO/DOs (NASA Data).

***SCREEN: Document Type Document Number Created by (Buyer Name)***

1. Enter **Oblig. Est. Cost**, if applicable.
2. Enter **Oblig. Base/Fixed Fee**, if applicable.
3. Enter **Oblig. Incentive Fee**, if applicable.

4. Enter **Oblig. Award Fee**, if applicable.

Note: The **Total Oblig. Amount** field is automatically calculated from the line item overview – net price.

5. Enter **Estimated Cost**, if applicable.
6. Enter **Base/Fixed Fee**, if applicable.
7. Enter **Incentive Fee**, if applicable.
8. Enter **Award Fee**, if applicable.

Note: The **Current K Value and Potential K Value** fields are automatically calculated from the Line Item Detail – NASA Data Tab.

9. Enter **Funded Thru Date**, if applicable.
10. Click **PPC** dropdown menu.

***DIALOG BOX: Procurement Placement Code Data Element***

11. Select **PPC**.
12. Click **<Enter>**.

***SCREEN: Document Type Document Number Created by (Buyer Name)***

13. Enter "0000" for **Mod Number**.
14. Click **<Contract Type>** dropdown menu.

***DIALOG BOX: Contract Type Data Element***

15. Select **Contract Type**.
16. Click on the **533 Indicator** box, if the contract requires a 533.
17. Click **<Enter>**.

## IV. Prepare/Complete Contractual Obligating Documents (e.g. Contracts, Purchase Orders, Grants, Cooperative Agreements, TO/DOs (Item Overview).

***SCREEN: Create Purchase Order***

1. For Item Category Z (Supplies) Items, enter **Net Price** for each line item. Amount should equal the funded amount for each line item. For Item Category D (Services) Items, the **Net Price** field will be gray and not available for data entry. This information can be changed in the Item Details Area on the Limits tab (see below).
2. To change information populated on the "Services tab", go to **Services** at the item detail level and update the "Qty" field for one or more line items to reach the desired obligation for applicable service sub-line. As the "Qty" field(s) is adjusted the "Net Price" for that procurement line item is recalculated at the item overview level.
3. To change information on the "Limits" tab, go to **Limits** at the item detail level. Adjust the **Expected Value**. The "Net Price" at the item overview level is automatically updated.

Note: For service line items, if the full amount of the commitment on a PR line item is not obligated the balance on that line item will return to the PR, and can be viewed on the PR funds management document. You can now incrementally increase or decrease a service line item without those funds returning to budget. But, if a service line item is deleted, the funded amount will return to budget. Funds must be recommitted on the PR by the requisitioner, prior to referencing the PR line item a second time.

Note: The funded amount will usually be the final negotiated value of the line item unless the item is incrementally funded, in which case it reflects only the amount to be obligated. For incrementally funded items, total negotiated value will be entered in the item details on the NASA Data tab below.

Note: For any contract that requires a 533, each item category needs to be "D" (services).

4. Verify/Correct **Deliv. Date** for each line item. For any contract that requires a 533, each item category needs to be "D" (services).

Note: All procurement line item detail information will default into the purchase order when the requisition is "adopted".

### V. Prepare/Complete Contractual Obligating Documents (e.g., Contracts, Purchase Orders, Grants, Cooperative Agreements, TO/DOs (Item Overview – No Cost Line Items).

***SCREEN: Create Purchase Order***

Note: "Free" line items (no cost line items) may be added at the time of contract award without having been included on the requisition; however, the following additional fields will require completion for the "Free Items". Also, if a hybrid contract is being created (i.e., CPIF/IDIQ), a "Free" line item will be entered for the IDIQ portion of the contract that is not part of the minimum order. To complete the account assignment for a "Free Item", copy the accounting line information (ALI) from the minimum order line.

1. Enter **Account Assignment Category**.

Note: If the Services line item with account assignment "U" was derived from the purchase requisition or request for quote and you wish to leave account assignment a "U", do not check "Free Item". However, if it is a "Free Item" for supplies, you must create the "Free Item" line in PO without referencing PR line item. Enter the applicable account assignment – **"P"** for project, **"K"** for cost pool or **"Y"** for reimbursable. When "Free Item" box is checked, you will be required to fill out accounting information. You may copy the accounting information from previous line item on the PO. The "Free Item" line item will have no financial impact.

2. Enter **Item Category**, if applicable.
3. Enter **Material Group**, if applicable.

Note: "Supplies" material groups are numeric while "Services" material groups are alpha.

4. Enter **Short Text** description of item being requested, if applicable.
5. Enter **Quantity**, if applicable.
6. Enter **Unit of Measure**, if applicable.
7. Enter **Delivery Date**, if applicable.
8. Enter **Plant**, if applicable.
9. Enter **Storage Location**, if applicable.
10. If for "no cost" supply line items, check the **Free** box (i.e., options). This does not apply to services. Go to procedure VI step 6 for services.
11. If entering more "free" procurement line items (PLI), press **<Tab>** to go to next line item, or use mouse to move the cursor to **Account Assignment Category** to start entry for next PLI, then proceed from step 1 through 11 above. Otherwise, go to procedure VI, item details.

### VI. Prepare/Complete Contractual Obligating Documents (e.g. Contracts, Purchase Orders, Grants, Cooperative Agreements, TO/DOs (Item Details).

***SCREEN: Create Purchase Order***

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1. Click **<Expand Item Details>** if applicable (Item Details window may expand automatically).
2. Select **Delivery** tab. Uncheck **Goods Receipt** if the vendor selected is ZHHS.

Note: The **GR non-valuated** box is checked, by default, and unchangeable on **Supply PLIs with multiple-ALIs**, only. Services should not have this box checked nor should single PLI/ALI supply items.

3. Select the **Invoice** tab. Enter **Acc Period**.

Note: Acceptance period should default to "blank". Enter "0" unless the contract provides for a longer inspection period than 7 days, (e.g., quality inspection is required that extends the inspection period of 30 days).

Note: The Goods Receipt indicator represents requirement for a good or service receipt for a PO line item. The Goods Receipt indicator is defaulted checked when creating a PO and should only be unchecked if the selected vendor account group is ZHHS.

4. Select the **Texts** tab.
   a. Select the **Item Text** from the menu.
   b. Enter descriptive information required for line item.
5. Select **NASA Data** tab.
   a. Enter **Total Value**. This amount is the total negotiated value of the line item.

Note: If the Total Value field is left blank on one or more line items, you will receive the following message, **"WARNING: A Total Value has not been specified for Line # XX"**. This message is just a **warning**! Click **<Enter>** and **<Save>** again. The warning will contain the line item #, where the Total Value field is blank and if you have left more than one Total Value field blank, then you will receive this warning for each line item, one at a time. You will need to continue to click **<Enter>** and **<Save>** again until you no longer receive the warning and the document is saved or changed.

Note: For each successive incremental funding line (modifications), the value "0" will be entered.

   b. Enter **Created on Date**.
   c. Check **Option Unexercised** checkbox, if applicable.

Note: The funded amount will usually be the final negotiated value of the line item unless the item is incrementally funded, in which case it reflects only the amount to be obligated. For incrementally funded items, total negotiated value will also be entered in the item details on the NASA Data tab, above.

6. For Item Category D (Services) Items, click on the **Limits** tab.
   a. Enter **Overall Limit**. This amount is the total funded value of the line item.

Note: If for "no cost" services, enter **".01"**.

   b. Enter **Expected Value**. This amount is the total funded amount of the line item.

Note: The *Overall Limit* and the *Expected Value* must be equal and represent the obligated amount.

Note: If for "no cost" services, enter **".01"**.

7. Click <**Account Assignment**> tab.
   a. For supplies, copy the accounting line information from the funded line to the "Free" item lines.

Note: For supplies with multiple account assignments, make sure the partial invoice indicator has "Distribute Proportionally" as the selected value.

8. Click <**Delivery Details**> tab.
   a. Click <**Address Details**> button.

Note: Review address information and verify that building code and room number have been populated. If not, enter building and room number for Requisitioner.

***DIALOG BOX: Delivery address***

   b. Enter **building code/number**.
   c. Enter **room**.

***DIALOG BOX: Change delivery address***

   d. Click <**Yes**>, if applicable to all other procurement line items.

Note: Repeat step 8 if delivery address is different from each procurement line item.

Note: Before saving the document, review the document - especially the "NASA Data tab" - at the header level to make sure the information is correct.

9. Click <**Save**>.

***DIALOG BOX: Update Recorded in Funds Management***

10. Enter **FM Posting Date**.
11. Enter **Period**.
12. Enter **Document Date**.
13. Click <**Enter**>.

Note: Information that defaults in this dialog box should be correct. It will reflect today's date, as the FM posting date and document date and the current period should be the current month of the fiscal year. These dates should normally not be changed.

10. Click <**Enter**>.

Note: The message bar at the bottom of the window will indicate that the document has been created and saved. The contract document will no longer be displayed in the window and the window will be available to generate a new award document.

## VII. Prepare/Complete Contractual Obligating Documents (e.g., Contracts, Purchase Orders, Grants, Cooperative Agreements, TO/DOs (Attachments).

***SCREEN: Create Purchase Order***

1. Click <**Other Purchase Order**> to select just created contract document.

***DIALOG BOX: Select Document***

2. Enter **Purchase Order Number**. The just created document number should default.
3. Click <**Other Document**>.

Note: This will open the “Change Purchase Order” screen in the change mode.

***SCREEN: Change Purchase Order***

4. Click **<Services for Object>**.
5. Select **Create**/**Create Attachment** from menu.

***DIALOG BOX: Open***

6. Enter file name and location where attachment is saved (e.g., A, H, C drives).
7. Click **<Open>**.

Note: Message box at bottom of window will indicate Service ‘Create attachment’ is started.

Note: It is not necessary to **<Save>** to attach documents. Once step 7 has been completed, the document is attached and must be deleted to be unattached.

Note: Templates have been created that include contract clauses for acquisitions issued pursuant to simplified acquisition procedures, and for grants and cooperative agreements. These templates will automatically be included in the SAP document after the line item information. For all other types of obligating documents, contract clauses and additional terms and conditions will need to be attached separately using the procedures described above.

8. Repeat steps 4 through 7 until all attachments have been included.

Note: To review or change attachments, go to step 9.

***SCREEN: Change Purchase Order***

9. Click **<Services for Object>**.
10. Select **Attachment List** from menu.

***DIALOG BOX: Service: Attachment List***

11. Review displayed list to ensure that all attachments have been incorporated.
12. If an attachment was attached in error, then highlight the document to be deleted and click <**Delete**>.
13. Click **<Close>**.

***SCREEN: Change Purchase Order***

14. Click **<Save>**.

**After the SAP R/3 session:**

The document will require release and approval through the workflow system prior to the funds being obligated.